

'REMEMBER ME, WHEN IT GOES WELL FOR YOU'

by Jan Theron¹

In a township near Dimbaza a group of seven work together in a shed adjacent to the house of one of their members, making aprons for sale in the local community. On the outskirts of Kingwilliamstown, another group of six work together on land they have purchased from the church, farming poultry and vegetables. Also, in the Eastern Cape, in Alice, a far larger group of 54, is responsible for tending the gardens and grounds of the University of Fort Hare.

All three groups comprise workers who were, until fairly recently, employed in standard jobs: working full-time at a workplace their employer controls, earning a regular wage. Indeed one of the things the three groups have in common is that the leadership, and the core of the membership, are ex-union members.

The first group is made up of ex-clothing workers who lost their jobs when the Taiwanese bosses that employed them more or less precipitously closed down their factories in 2000 and 2001. The second group are amongst thousands of workers in the gold and coal mines of Northern KwaZulu-Natal who were shipped out when factional violence erupted in the early 1990's. The third group is made up of workers who were retrenched by the University at a time when tertiary institutions across the country were externalising services.

The other thing these groups have in common is that they are cooperatives. The sewing group does not call itself a cooperative. In fact it does not even have a constitution. It nevertheless operates as a cooperative, in that the enterprise is jointly owned and democratically controlled by its members. In the case of the other two, being a cooperative is very much part of their identity as a group, and they are proud to be registered as such. In that the members of these cooperatives also work for the cooperative, these can be said to be worker cooperatives.

The question these three case studies raise is how organised labour is responding (or failing to respond) towards cooperatives in general and workers cooperatives in particular. The significance of this question is of course that there is a substantial section of the working class who are in the same situation as the members of these cooperatives: they have no prospect of employment in a standard job, or indeed any form of employment at all. In circumstances of economic desperation, self-help is the only alternative. The issue then is whether one pursues an individual self-help strategy or a collective one. Cooperatives, like trade unions, represent a collective response to the capitalist labour market.

Debating cooperative strategy

But cooperatives, like trade unions or any other membership-based organisations, are open to abuse. If a cooperative movement is to emerge that is to benefit the working class, it is essential to debate all aspects of cooperative strategy. Seen in

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this light, the recent article by Kate Philip (SALB, Vol 31. No 1) is to be welcomed, even if I consider some of her arguments unfortunate.

Labour, she says, has been at the forefront of supporting worker cooperatives. Yet “worker cooperatives do not actually have a good track record in creating decent and sustainable employment”. In support of this contention she cites studies showing that there are cooperatives that are not able to pay wages to their members, or that have not been able to generate surpluses. They should therefore not be seen as a “vehicle for a strategy of mass job creation.” Worker cooperatives are contrasted here with other forms of cooperative, such as marketing cooperatives, which she argues have greater potential. The well-known case of dairy cooperatives in India is cited by way of example.

One must first of all question the premise that labour has been in the forefront of establishing worker cooperatives. This implies that organised labour has been seriously engaged with issue of cooperative development. There was a brief period in the 1980s when certain unions established cooperatives, including worker cooperatives. Even then, it is debatable to what extent the unions concerned can be said to have been seriously committed to promoting cooperatives. Compare for example the resources lavished on union investment companies. In any event, as Vishwas Satgar has pointed out, the context within which those cooperatives were established bears little relation to the current context (SALB, Vol 31. No 3).

Certainly the members of both the clothing cooperative and the ex-mineworkers cooperative would be most surprised to be told that labour was committed to their support. They have received no support whatever from the unions they belonged to, both of which maintain substantial trust funds. What is more, in the latter instance the members claim the union has not paid over monies due to them from the period they were employed. Their slogan, roughly translated from Xhosa, is ‘remember me when things go well for you.’

Contrast the case of the Fort Hare cooperative. Here the union was instrumental in establishing the cooperative. Although the cooperative is and should remain autonomous, the union also continues to provide a degree of political support, as well as support for another cooperative providing cleaning services at this university. However this is in an exception, even within the sector in which this union operates. Consider the thousands of workers formerly employed by tertiary education institutions, who now find themselves employed by so-called contract cleaners. Surely this is not the kind of ‘decent and sustainable’ employment Philip would prefer.

Of course it would be naive to suppose that worker cooperatives represented a strategy for mass job creation. But who is advocating this as a strategy? What, by the way, is the strategy for mass job creation? Certainly it cannot be suggested that the extended public works programme is creating sustainable employment. Cooperatives such as those I have described are being established because of the inability of the labour market to provide waged employment. Also precisely because there is no strategy of mass job creation, and no likelihood of such a strategy materialising, now or in the foreseeable future.

The ex-mineworkers cooperative is only able to sustain the members living on the property with the help of the salary of one of the members, making deliveries for a local pizza house after hours. In the case of the clothing cooperative members earn an income of R100 or R150 a month. Certainly this is not a decent wage. Yet where the only other source of income for most is government grants, it is better than nothing. It is also not a true measure of the social impact of such a cooperative. Both

cooperatives are actively engaged in uplifting the communities in which they are located. Both have programmes of home-based care for HIV/ Aids patients. This combination of activities is also characteristic of cooperatives in impoverished areas such as the Eastern Cape. It makes their precise categorisation difficult, and arguably moot.

From a wage culture to models of self-reliance

I have no problem with an argument the cooperative development should not be focused exclusively or even primarily on worker cooperatives. But it is an argument that needs to be developed in the context of a well-conceived strategy. Marketing cooperatives have a proven track record, where there are producers with goods to market. A dairy cooperative ought to have as much potential in South Africa as in India, then, given the importance of cattle in rural society. In fact dairy cooperatives were dominant in the industry until about 1997, even if their members were white farmers.

But changes in the industry since, notably as a consequence of government's overzealous implementation of policies of trade liberalization and the conversion of established cooperatives to companies, make the prospect of establishing cooperatives of small farmers more remote. The number of producers has declined massively, and tens of thousands of up-and downstream jobs have been lost. Any strategy to 'empower' small producers now will have to confront the fact that the industry is dominated by a handful of companies concerned with generating profits for their shareholders. The shareholders of one of largest of these include the trade union investment companies of the clothing and mineworkers unions.

Savings and credit cooperatives and consumer cooperatives are another model with a proven track record. However the constituency from which the members of such cooperatives are typically drawn is amongst the employed in standard jobs. A focus on organising workers in standard jobs reinforces a 'wage culture', in which employment for a wage has a privileged status, especially for men, as opposed to self-help through some form of entrepreneurial activity. Without detracting from initiatives to start SACCOs, what is needed is initiatives to 'empower' those for whom dependence on waged employment is simply not realistic.

'Empowerment' is a contested concept, but for the clothing cooperative and the ex-mineworkers it should at least mean being able to sustain their enterprise for the foreseeable future. This will not be possible without some support. Trade unions are in a position to provide support. Yet the rule is actually trade union indifference towards all forms cooperatives, worker cooperatives included. Perhaps this indifference can be attributed to ignorance about the opportunity cooperatives present. It also represents a lack of political will. My principal objection to the tenor of Philip's article is that, probably unintentionally, it feeds into this indifference and lack of political will.

She suggests it is only in 'well-organised, viable sectors of the economy, where the skills and market share are in place' that workers cooperative can succeed. In my view it is precisely in these sectors that workers cooperatives are least likely to be established, because such workers will not willingly sacrifice the security of a wage in a standard job. This is also the difference between South Africa and a country like India, where a 'wage culture' is not as dominant. At the same time Philip's argument about workers cooperatives is hardly encouraging of any other form of cooperative either. Some of the difficulties she identifies, for example of efficiently managing an

enterprise that is democratically controlled by its members, are common to all forms of cooperatives.

In fact the difficulties of managing a cooperative are no different in kind from the difficulties of managing a democratically controlled trade union. The case of the gardening cooperative shows they are not insuperable, even in a workers cooperative. Take the question of discipline. An ill-disciplined worker is summoned to appear before a disciplinary committee composed of fellow members. If she or he persists in being ill-disciplined, the worker is summoned before a general meeting. This is obviously a cumbersome procedure, and has only happened four times in the five years since the cooperative was established.

Nevertheless, from the point of view of the University administration, the cooperative has provided an effective service. Over the last three years the cooperative has achieved a surplus. As a result the workers, in addition to being paid their wages, have received substantial bonuses.

What kind of support? What kind of movement?

Undoubtedly the relative success of the gardening cooperative is attributable to the willingness of the University administration to support such a venture. This support is coordinated by a community business development centre, which also seeks to strengthen links between the University and the community. However it would obviously be problematic if the cooperative were to depend solely on the goodwill of what is, after all, its client. The political support the trade union provides is thus as some kind of guarantor of an arrangement they helped shape.

It would be preferable if this sort of support were provided by the cooperative movement itself. However a cooperative movement needs to be built from the bottom up. This will not happen unless initiatives such as those described in this article are supported. The new Cooperatives Act came into force this year. Unquestionably the next few years will be critical, in determining the character of the cooperative movement that emerges. Trade unions therefore need to bring their experience of building membership-based organisation to bear, in a broader debate about what forms of institutional support are appropriate for cooperatives, and what the character of this movement should be.

It is not possible within the scope of this article to canvas all aspects of this debate. At the same time the danger must be emphasized, that inappropriate measures can do more harm than good. Dispensing grants to groups that style themselves cooperatives, as the provincial government of Kwazulu Natal has apparently been doing, without any attempt to establish their bona fides, let alone whether they are economically viable or sustainable, will result in sharp operators establishing cooperatives out of no sense of communal solidarity at all: whether to access grants, or contracts, or pursue some other kind of scam.

Both trade unions and cooperatives are organisations formed in response to the capitalist labour market. Perhaps the slogan from which the title of this article is taken has an undertone of bitterness about it. But it is also a reminder of what will happen, if trade unions neglect to engage in this debate. On the one hand it will leave the field open to the sharp operators. On the other it will feed into negative perceptions of organisation in a constituency from which both trade unions and cooperatives draw their support.

